

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 03-0309009

SINGLE SIGNATURE P-4 FILING OF GAITHER PETROLEUM CORPORATION (OPERATOR NO. 292850) FOR THE TABB FEE LEASE (LEASE NO. 01779), WELL NO. 14, GOOSE CREEK FIELD, HARRIS COUNTY, TEXAS, TO CHANGE THE OPERATOR OF RECORD FROM SIEMPRE ENERGY OPERATING, LLC (OPERATOR NO. 780191) TO GAITHER PETROLEUM CORPORATION

FINAL ORDER

The Railroad Commission of Texas (“Commission” or “RRC”) finds that after statutory notice and an opportunity for hearing regarding the captioned proceeding, Siempre Energy Operating, LLC failed to request a hearing and did not otherwise respond such that this docketed case can proceed as a default. This proceeding having been duly submitted to the Commission at a conference held in its offices in Austin, Texas, the Commission makes the following findings of fact and conclusions of law.

Findings of Fact

1. Gaither Petroleum Corporation (“Gaither”), RRC Operator No. 292850, filed a single-signature Form P-4 *Certificate of Compliance and Transportation Authority* (“Form P-4”) requesting that it be designated the Commission operator of record for the Tabb Fee Lease, Lease No. 01779, Well No. 14 (“Well”). The Form P-4 did not contain the signature of the current Commission operator of record for the Well.
2. Siempre Energy Operating, LLC (“Siempre”), RRC Operator No. 780191, is the current Commission operator of record for the Well.
3. In a letter dated February 8, 2018, a Commission Administrative Law Judge (“ALJ”) requested in writing that Siempre either: (1) provide evidence that it holds a “good faith claim” to a continuing right to operate the referenced property; or (2) request a hearing on the matter on or before March 12, 2018. This letter expressly notified Siempre that failure to timely request a hearing would constitute waiver of the provided opportunity to request a hearing for this proceeding. The letter was sent via first-class mail to Siempre’s address of record at the Commission as identified in Siempre’s most recent filing of Commission Form P-5 *Organization Report* (“Form P-5”).
4. A “good faith claim” is defined in Commission Statewide Rule 15(a)(5) as “A factually supported claim based on a recognized legal theory to a continuing

possessory right in the mineral estate, such as evidence of a currently valid oil and gas lease or a recorded deed conveying a fee interest in the mineral estate.” 16 TEX. ADMIN. CODE § 3.15(a)(5).

5. Siempre failed to provide evidence that it holds a good faith claim to a continuing right to operate the Well, failed to respond to the ALJ’s February 8, 2018 letter and failed to request a hearing.
6. At least ten days’ notice of an opportunity for hearing was given to Gaither and Siempre.
7. Siempre is delinquent in filing the annual Form P-5.
8. To demonstrate its good faith claim to operate the Well, Gaither submitted documentation, including an assignment and leases, showing it has a good faith claim to operate the Well.
9. Gaither has a current annual Commission Form P-5 *Organization Report* with a \$250,000 bond as its financial assurance. Gaither’s status at the Commission is active.
10. Siempre does not have a good faith claim to operate the Well.
11. Pursuant to TEX. GOV’T CODE §§ 2001.056 and 2001.062(e), Siempre was provided an opportunity to request a hearing and failed to do so.
12. Gaither has demonstrated a good faith claim to a continuing right to operate the Well.
13. The Well should be transferred to Gaither as operator of record.
14. Gaither agreed in writing that the date this Final Order will become final will be the date the Master Order related to this Final Order is signed.

Conclusions of Law

1. Proper notice of hearing was timely issued to appropriate persons entitled to notice. See, e.g., TEX. GOV’T CODE § 2001.051; 16 TEX. ADMIN. CODE §§ 1.42, 1.45.
2. The Commission has jurisdiction in this case. See, e.g., TEX. NAT. RES. CODE § 81.051.
3. Siempre does not have a good faith claim, as that term is defined in Statewide Rule 15(a)(5), to continue operating the Well. 16 TEX. ADMIN. CODE § 3.15(a)(5).
4. Gaither does have a good faith claim to operate the Well.

5. Pursuant to § 2001.144(a)(4)(A) of the Texas Government Code and by agreement of the parties in writing, **the parties have waived the right to file a motion for rehearing and this Final Order can become final on the date the Master Order relating to the Final Order is signed.**

Ordering Provisions

IT IS THEREFORE ORDERED that the application of Gaither to change the RRC operator of record for the Well is **APPROVED** and Gaither's submitted Form P-4 *Certificate of Compliance and Transportation Authority* reflecting itself as the current operator for the Well is hereby **APPROVED** subject to the provisions of TEX. NAT. RES. CODE §§ 91.107, 91.114 and 91.142, and 16 TEX. ADMIN. CODE §§ 3.15 and 3.78.

All pending motions and requests for relief not previously granted or granted herein are denied.

Pursuant to § 2001.144(a)(4)(A) of the Texas Government Code and by agreement of the parties in writing or on the record, **the parties have waived the right to file a motion for rehearing and this Final Order is final on the date the Master Order relating to the Final Order is signed.**

Done this 24th day of April 2018, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by HD
Unprotested Master Order dated April 24, 2018)

JNC/mls